



HILLARY GITELMAN
Director

COUNTY of NAPA

CONSERVATION, DEVELOPMENT AND PLANNING

March 28, 2008

Ms. Cathy Creswell, Deputy Director
California Department of Housing & Community Development
1800 Third Street
P.O. Box 952050
Sacramento, CA 94252-2050

Re: Annual Report per Government Code Section 65400

Dear Ms. Creswell,

Attached, please find the status report provided for the year 2007, using the format provided by your agency. As you will see, the past year has been another busy one for our County and the Planning Department in particular.

In addition to continuing the evaluation of two new significant development proposals that could provide over 3,000 housing units in the coming years, our comprehensive General Plan Update process is nearing completion, after over 3 years of extensive public input and staff work. At the moment, the Plan is before the County Board of Supervisors for a series of public hearings, with adoption anticipated within the next two months.

Although this Update did not include the Housing Element (since we last updated that in late 2004 and the next update is due next year), there are a number of policies in the Land Use and other Elements that provide the foundation for some new policies in the upcoming update of the Housing Element. Virtually all of these policies perpetuate the long-standing land use philosophy of all Napa County jurisdictions that focus development in the cities and other urbanized areas, thereby enabling the preservation of our agriculturally-based economy.

The Conservation, Development and Planning Department will continue to provide annual progress reports regarding the implementation efforts of the programs outlined in the current Housing Element, and its prospective update.

Should you have any questions or comments, please feel free to contact me, Nancy Johnson (299-1352) or Howard Siegel (253-4621).

Sincerely,

A handwritten signature in blue ink, appearing to read "Hillary Gitelman".

Hillary Gitelman,
Director

cc: Office of Planning and Research – State Clearinghouse
Board of Supervisors
Nancy Watt
Howard Siegel
Nancy Johnson
Silva Darbinian

ATTACHMENT D

WFH Annual Progress Report on Implementation of the Housing Element General Plan Report requirement pursuant to Section 65400 of the Government Code

Jurisdiction: Napa County Conservation, Development & Planning Department

Address: 1195 Third Street, Suite 210 Napa, CA 94559

Contact: Hillary Gitelman Title: Planning Director

Phone: 707-253-4417

Report Period: 01/01/2007 To: 12/31/2007

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued:

During the year 2007, the County issued building permits for 53 new primary dwelling units and thirteen (13) permits for second units.

The County continues to provide funding for local city affordable housing developments, including a contribution of \$1.2 million dollars funded in 2006 for a 145 unit project in American Canyon that includes 14 units for farm worker families and 15 units for extremely low-income (<30% AMI) households. Recent modifications were made by the County in recent months to provide more flexibility in the marketing these units, although all within the project-wide maximum income restriction of 55% median income.

2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.

Most of the units constructed during the year were market-rate units. Of the thirteen permits issued for new second dwelling units, at least half of those units will be rented at a level affordable to residents at a low to moderate income level.

Two major development proposals, both of which would provide a substantial number of affordable units, were submitted during 2007, with the review and entitlement process still underway. These two projects could provide more than 3,500 housing units in the coming years, of which over 700 would be restricted to lower-income households and/or members of the local workforce.

3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

These two projects, if approved, would far exceed the current RHNA allocation for the County's unincorporated area. The County was allocated 651 units for the current (2007-2014) RHNA cycle. The County has entered into an agreement with the City of Napa in September 2007, related to the establishment of a new Redevelopment Project Area (by the latter). This transfer was enabled by Government Code Section CFR 65584.07 (a)(4). As a result of this agreement, the County will transfer 82 units of the aforementioned RHNA allocation to the City of Napa in the current housing cycle. These units will be allocated in a manner proportional to the RHNA allocation among the 4 affordability categories; in other words, the reallocation will be comprised of:

- 28 Above-Moderate Income units
- 16 Moderate Income units
- 15 Low-Income units
- 23 Very-Low-Income units

thereby leaving the County with a net RHNA allocation of 569 units, in the following categories:

- 196 Above-Moderate Income units
- 114 Moderate Income units
- 101 Low-Income units
- 158 Very-Low-Income units

In 2007, the County issued permits for 53 "above-moderate" units and 6 units of low to moderate income units in the unincorporated area.

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
- **Rehabilitation:** In 2006, the Building Department created a Quick Permit process to reduce the plan check time to two weeks from the time of submittal. This program provides an expedited permitting process on less complex projects. In 2007, new performance targets were established for plan review of standard (i.e. non "quick permit") applications, such that new projects will be reviewed within four weeks of submittal.
 - **Affordability:** The County contributed \$1.2 million to a 145-unit affordable housing project in American Canyon and \$1.3 million for 30 units of low and very low

income units in Napa. Although the latter project has not yet been completed, the former has been completed and is close to full occupancy as of March 2008.

- **Special Needs:**

a) Farm worker Housing – In addition to operating three public farm worker housing centers (60 beds each), the County is also reviewing past entitlements for 120 units of farm worker housing on private property to determine the status of the approved units. This review is anticipated to be completed by June 30th of this year and is expected to indicate that only a portion of the 120 units are still in existence today. The County made a commitment in its Housing Element to conduct a comprehensive study of farm worker housing needs throughout the County. California Institute for Rural Studies was chosen and worked diligently throughout 2006 conducting interviews with farm workers and analyzing trends in labor demand. The analysis provided County staff with a profile of farm workers and provide recommendations to improve farm worker housing in Napa County. The study was completed in May 2007.

b) Homeless Population – the County completed construction of a new 66-bed shelter, that opened in Spring 2006. During 2007, occupancy averaged 55 per night. During winter months, the County also operates a Winter Shelter, with 30 beds, all filled to capacity virtually every night between November and March. Additionally, the Samaritan Family Center, which has a capacity of 7 families/28 people, always has a waiting list – an average of 10 families at any one time. Since the Winter Shelter is also always full, its average “waiting list” is 8 people per night.

c) Fair Housing – During 2007, the County continued its annual contribution (over \$8,000) to the local non-profit entity Fair Housing Napa Valley (FHNV). The mission of FHNV is to investigate and mediate housing discrimination complaints, with a secondary focus on education and counseling. They mediate disputes between landlords and tenants, and administer local mobile home park ordinances, most of which occur in the cities of Napa County, although some do occur in the County’s unincorporated area.

- **Housing Development:** In 2007, the County received several inquiries regarding some of the 14 parcels that are designated with the Affordable Housing Combination District (AHCD) overlay. Two of those parcels (in Angwin) are currently being designed for a variety of housing types as part of a master development plan by the property owner, Pacific Union College (PUC). The college has long had to desire to provide housing for their employees as well as for the staff at St. Helena Hospital in neighboring Deer Park. County staff has been meeting with the project proponents to ensure the required level of affordability is achieved. At the moment, their proposal envisions a total of 380 units, of which 59 would be in the affordable-income categories, with an additional 78 being reserve for the local workforce (some of which would likely be in the moderate-income affordable category).

An additional development proposal was submitted during 2007 and is currently undergoing staff review. This proposal was for a mixed-use development for the reuse of a former industrial property adjacent to the City of Napa, and very close to the employment center of the Airport Industrial Area. The proposal includes 3,200 housing units, of which 20% would be affordable. In addition, the County expects to impose certain local preference conditions to encourage the occupancy of a number of the remaining units by members of the local workforce.

- **Government Constraints:** Napa County continues to assist property owners with potential development projects in the unincorporated areas as they look to service providers for sewer and water connections. County staff has had ongoing discussions with the cities of Napa and American Canyon (water), Napa Sanitation Department and LAFCO on behalf of interested parties to help work through the process of ensuring that these services are extended to appropriately-designated parcels.

Additionally, the County is currently discussing the prospect of coordinating future residential development planning with all of its cities, by analyzing both the supply of suitable land and the anticipated demand over the coming years, thereby increasing the likelihood of achieving a healthy jobs-housing balance throughout the County.

- **Energy and Water Conservation:** The Planning Department has seen an increase in applications (54 in 2007) for residential solar panel installation; and has modified regulations to simplify the process to obtain building permits for solar installations by amending the zoning code to allow the installation of solar panels as a ministerial act even on parcels with slopes in excess of 30% and by reducing fees for solar panel permits. County staff is actively participating with a group of local business leaders to create sustainability standards for new development in Napa County, with these efforts having resulted in a new "Climate Protection section of the Draft Conservation Element of the County's General Plan Update.

2. Assess effectiveness of actions and outcomes:

Through the Housing Agreements with the cities of Napa and American Canyon, the County continues to work cooperatively to locate additional lands suitable for affordable housing development. Development plans take time to coordinate and while the County has provided hours of staff support to potential developers, none of the potential projects in the unincorporated areas of Napa County have broken ground in 2007.

Beginning in 2005 and continuing on through 2007, the County has been engaged in a comprehensive General Plan Update. The draft General Plan continues to reinforce the long standing land use goal of protecting the County's valuable agricultural resources by focusing growth into the urbanized areas, but acknowledges the need to provide housing for all economic segments of the population. Several locations have been suggested as sites suitable for housing with adequate services and close to existing urban centers, two of which have been described in the section entitled

“Housing Development” on the previous page. During the upcoming Housing Element Update process, these and other potential residential sites will be discussed in detail in several public forums.

C. Progress toward mitigating governmental constraints identified in the housing element.

Governmental constraints are covered in sections 1 and 2 above.